

MOR-1**UNITED STATES BANKRUPTCY COURT**CASE NAME: RR Valve Inc.CASE NUMBER: 09-33345-H5-11

PROPOSED PLAN DATE: _____

PETITION DATE: 5/14/2009 0:00DISTRICT OF TEXAS: SouthernDIVISION: Houston**MONTHLY OPERATING REPORT SUMMARY FOR MONTH JULY 2009**

	Amended	Amended	Amended		
MONTH	May-09	Jun-09	Jul-09		
REVENUES (MOR-6)	34,473.34	130,156.34	87,441.04		
INCOME BEFORE INT. DEPREC./TAX (MOR-6)	-52,609.48	-183,289.46	5,171.55		
NET INCOME (LOSS) (MOR-6)	-52,609.48	-183,526.17	4,938.98		
PAYMENTS TO INSIDERS (MOR-9)	27,642.39	21,448.45	0.00		
PAYMENTS TO PROFESSIONALS (MOR-9)	9,000.00	3,730.53	0.00		
TOTAL DISBURSEMENTS (MOR-8)	60,939.11	55,460.26	90,042.60		

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

REQUIRED INSURANCE MAINTAINED		
AS OF SIGNATURE DATE	EXP. DATE	
CASUALTY	YES (X) NO ()	6/15/2010
LIABILITY	YES (X) NO ()	7/1/2010
VEHICLE	YES (X) NO ()	Monthly
WORKERS	YES () NO ()	
OTHER	YES () NO ()	

Are all accounts receivable being collected within terms?

CIRCLE ONE

Yes No X

Are all post-petition liabilities, including taxes, being paid within terms?

Yes X No

Have any pre-petition liabilities been paid?

Yes No X

If so, describe

Are all funds received being deposited into DIP bank accounts?

Yes X No

Were any assets disposed of outside the normal course of business?

Yes No X

If so, describe

Are all U.S. Trustee Quarterly Fee Payments current?

Yes X No

What is the status of your Plan of Reorganization?

Being Developed

ATTORNEY NAME: S. Margie VenusFIRM NAME: Strong Pipkin Bissell & Ledyard, L.L.P.ADDRESS: 1301 McKinney, Suite 2100CITY, STATE, ZIP: Houston, TX 77010TELEPHONE/FAX: 713.210.5030**MOR-1**

I certify under penalty of perjury that the following complete
Monthly Operating Report (MOR), consisting of MOR-1 through
MOR-9 plus attachments, is true and correct.

SIGNED X [Signature]

(ORIGINAL SIGNATURE)

Loretta Cross

TITLE: Chapter 11 Trustee

(PRINT NAME OF SIGNATORY)

DATE 8/27/2009
Revised 07/01/98

Note: The quantitative information stated in this form has been drawn from the books and reports of the debtor's accounting system. The data in the accounting system is in process of revision based on the analysis being performed by the Trustee. This representation is the best available at this time from debtor records in their current condition and their statement here is solely the responsibility of the debtor and its management. The Trustee intends to file an amended MOR as soon as sufficiently accurate accounting records can be obtained.

CASE NAME: RR Valve Inc.
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COMPARATIVE BALANCE SHEETS

ASSETS	5/1/2009*	5/31/2009	Jun-09	Jul-09	MONTH	MONTH	MONTH
	Amended	Amended	Amended	Amended			
CURRENT ASSETS							
Cash	82,000.92	95,671.26	121,985.64	107,171.20			
Accounts Receivable, Net	130,631.38	142,145.14	196,065.35	199,797.17			
Inventory: Lower of Cost or Market ¹	407,450.85	400,090.06	166,749.46	169,011.36			
Prepaid Expenses							
Investments							
Other ²	1,220,108.19	1,220,108.19	1,217,922.11	1,226,842.87			
TOTAL CURRENT ASSETS	1,840,191.34	1,858,014.65	1,702,722.56	1,702,822.60			
PROPERTY, PLANT & EQUIP. @ COST	235,085.86	235,085.86	235,085.86	235,409.53			
Less Accumulated Depreciation	108,796.00	108,796.00	108,796.00	108,796.00			
NET BOOK VALUE OF PP & F³	126,289.86	126,289.86	126,289.86	126,613.53			
OTHER ASSETS							
1. Tax Deposits	25,000.00	25,000.00	25,000.00	25,000.00			
2. Investments in Subsidiaries	1,000.00	1,000.00	1,000.00	1,000.00			
3. Rent/Phone/Electric Deposit	8,995.84	8,995.84	8,995.84	8,995.84			
4.							
TOTAL ASSETS	\$2,001,477.04	\$2,019,300.35	\$1,864,008.26	\$1,864,431.97			

* Per Schedules and Statement of Affairs

MOR-2

Revised 07/01/98

¹ Inventory reduction in June in the amount of \$238,903.64 is due to the adjustments for certain items at Blue Chip Machine associated with Blue Chip's services to RR Valve that are not subject to existing purchase orders.

² Other assets include related party receivables with either directly owned subsidiaries or sister companies in the amount of \$1,215,561.82. These amounts may not be collectable.

³ Property, plant, and equipment has not been depreciated since 6/30/2007. The company is in the process of updating the depreciation schedule. Once this analysis is completed adjustments will be made.

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CASE NAME: RR Valve Inc.
CASE NUMBER: 09-33345-H5-11

COMPARATIVE BALANCE SHEETS

LIABILITIES AND OWNERS EQUITY	5/15/2009* Amended	May-09 Amended	Jun-09 Amended	Jul-09 Amended	MONTH	MONTH	MONTH
LIABILITIES							
POST-PETITION LIABILITIES(MOR-4)		10,969.17	48,249.41	43,734.14			
PRE-PETITION LIABILITIES							
Notes Payable - Secured	27,000.00	27,000.00	27,000.00	27,000.00			
Priority Debt	-9.85	-9.85	-9.85	-9.85			
Federal Income Tax ¹	190,747.00	190,747.00	190,747.00	190,747.00			
FICA/Withholding	6,386.13	6,386.13					
Unsecured Debt ²	121,723.63	123,243.52	120,583.49	120,583.49			
Other							
TOTAL PRE-PETITION LIABILITIES ³	345,846.91	347,366.80	338,320.64	338,320.64			
TOTAL LIABILITIES	345,846.91	358,335.97	386,570.05	382,054.78			
OWNER'S EQUITY (DEFICIT)							
PREFERRED STOCK							
COMMON STOCK	1,000.00	1,000.00	1,000.00	1,000.00			
ADDITIONAL PAID-IN CAPITAL							
RETAINED EARNINGS: Filing Date	1,654,630.13	1,654,630.13	1,654,630.13	1,654,630.13			
RETAINED EARNINGS: Post Filing Date		5,334.25	-178,191.92	-173,252.94			
TOTAL OWNERS EQUITY (NET WORTH)	1,655,630.13	1,660,964.38	1,477,438.21	1,482,377.19			
TOTAL LIABILITIES & OWNERS EQUITY	\$2,001,477.04	\$2,019,300.35	\$1,864,008.26	\$1,864,431.97			

* Per Schedules and Statement of Affairs

MOR-3

Revised 07/01/08

¹ Company is in the process of filing tax returns for the fiscal years ending 6/30/2008 and 6/30/2009. The liabilities or assets associated with these returns are not included in these balances. The company will record these amounts as soon as the analysis is completed.

² Credit issued on estimated triple net expenses related to the lease when the actual accounting for the prior year was completed.

³ Pre-petition liabilities may be adjusted subject to further investigation of pre-petition claims including insider claims

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CASE NAME: RR Valve Inc.
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SCHEDULE OF POST-PETITION LIABILITIES

LIABILITIES & OWNER'S EQUITY	May-09 Amended	Jun-09 Amended	Jul-09 Amended	MONTH	MONTH	MONTH
TRADE ACCOUNTS PAYABLE	9,923.78	41,945.56	40,987.88			
TAX PAYABLE						
Federal Payroll Taxes		3,237.92	653.74			
State Payroll Taxes						
Ad Valorem Taxes						
Other Taxes		-10.01	-20.02			
TOTAL TAXES PAYABLE	1,045.39	3,227.91	633.72			
SECURED DEBT POST-PETITION						
ACCRUED INTEREST PAYABLE		236.71	468.04			
ACCRUED PROFESSIONAL FEES*						
OTHER ACCRUED LIABILITIES						
1. Galleria		1,850.13	655.40			
2. RR Racing		989.10	989.10			
3.						
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$10,969.17	\$48,249.41	\$43,734.14			

*Payment requires Court Approval

MOR-4

Revised 07/01/98

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AGING OF POST-PETITION LIABILITIES
MONTH Jul-09 Amended

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	OTHER LIABILITIES
0-30	43,452.44	40,932.88	653.74		-10.01	1,875.83
31-60	281.70	55.00			-10.01	236.71
61-90	0.00					
91+	0.00					
TOTAL	\$43,734.14	\$40,987.88	\$653.74	\$0.00	(\$20.02)	\$2,112.54

AGING OF ACCOUNTS RECEIVABLE

MONTH	May 2009	June 2009	July 2009		
0-30 DAYS	34,473.34	129,628.52	182,790.53	1	
31-60 DAYS	74,664.30	31,395.43	(106.74)		
61-90 DAYS	37,719.80	3,577.72			
91+ DAYS	(4,712.30)	31,463.68	17,113.38		
TOTAL	\$142,145.14	\$196,065.35	\$199,797.17		

MOR-5

Revised 07/01/98

1 Checks in the amount of \$8481.05 were received on 7/31/2009. They were applied to accounts receivable and recorded as other assets until deposited in the bank on 8/3/2009.

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CASE NAME: RR Valve Inc.
CASE NUMBER: 09-33345-H5-11

STATEMENT OF INCOME (LOSS)

	Amended	Amended	Amended	Amended					
	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO
	May 1 - 15, 2009	May 16-31, 2009	Jun-09	Jul-09					DATE
REVENUES (MOR-1)	1,041.76	33,431.58	130,156.34	87,441.04					252,070.72
TOTAL COST OF REVENUES	6,701.19	10,273.38	276,861.96	15,004.21					308,840.74
GROSS PROFIT	-5,659.43	23,158.20	-146,705.62	72,436.83					-56,770.02
OPERATING EXPENSES:									
Selling & Marketing	6,542.50	46.03	329.89	24,000.00					30,918.42
General & Administrative	9,439.84	6,219.54	4,186.36	23,364.15					43,209.89
Insiders Compensation	19,642.39	8,000.00	21,448.45	6,000.00					55,090.84
Professional Fees	11,330.00	0.00	3,730.53	1,197.33					16,257.86
Other Contract Labor	5,329.57	3,558.38	6,888.61	12,053.80					27,830.36
Other				650.00					650.00
TOTAL OPERATING EXPENSES	52,284.30	17,823.95	36,583.84	67,265.28					173,957.37
INCOME BEFORE INT. DEPR/TAX (MOR-1)	-57,943.73	5,334.25	-183,289.46	5,171.55					-230,727.39
INTEREST EXPENSE			236.71	232.57					469.28
DEPRECIATION									0.00
OTHER (INCOME) EXPENSE*									0.00
OTHER ITEMS**									0.00
TOTAL INT. DEPR. & OTHER ITEMS									0.00
NET INCOME BEFORE TAXES	-57,943.73	5,334.25	-183,526.17	4,938.98					-230,727.39
FEDERAL INCOME TAXES									0.00
NET INCOME (LOSS) (MOR-1)	(\$57,943.73)	\$5,334.25	(\$183,526.17)	\$4,938.98					(\$230,727.39)

Accrual Accounting Required, Otherwise Footnote with Explanation.

* Footnote Mandatory.

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

Revised 07/01/98

1 Net loss in June results solely from the inventory reduction due to adjustment for certain items at Blue Chip Machine associated with Blue Chip's services to RR Valve that are not subject to existing purchase orders.

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CASE NUMBER: 09-33345-H5-11

	Amended	Amended	Amended	Amended				
	May 1 - 15, 2009	May 16 - 31, 2009	Jun-09	Jul-09	MONTH	MONTH	MONTH	FILING TO DATE
CASH RECEIPTS AND DISBURSEMENTS								
1. CASH-BEGINNING OF MONTH	\$68,400.77	\$82,000.92	\$95,671.26	\$121,985.64				\$68,400.77
RECEIPTS:								
2. CASH SALES								0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE	39,291.78	21,917.82	76,338.44	75,228.16				212,776.20
4. LOANS & ADVANCES (attach list)	27,000.00		3,068.28					30,068.28
5. SALE OF ASSETS								0.00
6. OTHER (attach list)			2,367.92					2,367.92
TOTAL RECEIPTS**	66,291.78	21,917.82	81,774.64	75,228.16				245,212.40
(Withdrawal) Contribution by Individual Debtor MFR-2*								0.00
DISBURSEMENTS:								
7. NET PAYROLL			1,323.26	3,957.00				5,280.26
8. PAYROLL TAXES PAID			6,722.07	6,990.01				13,712.08
9. SALES, USE & OTHER TAXES PAID			-4.47	244.70				240.23
10. SECURED/RENTAL/LEASES	6,035.84		4,355.81	12,199.24				22,590.89
11. UTILITIES & TELEPHONE	680.22		4,482.67	1,142.71				6,305.60
12. INSURANCE			90.55	4,269.42				4,359.97
13. INVENTORY PURCHASES	1,080.00		5,957.16	35,329.54				42,366.70
14. VEHICLE EXPENSES			69.05	170.37				239.42
15. TRAVEL & ENTERTAINMENT	86.03		256.25	2,426.34				2,768.62
16. REPAIRS, MAINTENANCE & SUPPLIES	1,029.21		1,029.67	169.35				2,228.23
17. ADMINISTRATIVE & SELLING	6,320.63	247.48	15.91	6,884.00				13,468.02
18. OTHER (attach list)	28,459.70	8,000.00	27,431.80	14,200.09				78,091.59
TOTAL DISBURSEMENTS FROM OPERATIONS	43,691.63	8,247.48	51,729.73	87,982.77				191,651.61
19. PROFESSIONAL FEES	9,000.00		3,730.53	1,409.83				14,140.36
20. U.S. TRUSTEE FEES				650.00				650.00
21. OTHER REORGANIZATION EXPENSES (attach list)								0.00
TOTAL DISBURSEMENTS**	52,691.63	8,247.48	55,460.26	90,042.60				206,441.97
22. NET CASH FLOW	13,600.15	13,670.34	26,314.38	-14,814.44				38,770.43
23. CASH - END OF MONTH (MOR-2)	\$82,000.92	\$95,671.26	\$121,985.64	\$107,171.20				\$107,171.20

MOR-7

* Applies to Individual debtors only
**Numbers for the current month should balance (match)
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 07/01/98

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CASH ACCOUNT RECONCILIATION

MONTH OF Jul-09

Amended

MONTHLY OPERATING REPORT SUMMARY FOR MONTH JULY 2009

BANK NAME	Chase 0072	Chase 0189	Chase 0809	#	Petty Cash	#	Clearing	
ACCOUNT NUMBER								
ACCOUNT TYPE	<i>Operating</i>	<i>Deposit</i>	<i>Operating</i>					<i>Total</i>
BANK BALANCE	116,360.52	1,376.33	500.00		1,517.66		1,000.00	\$120,754.51
DEPOSITS IN TRANSIT								\$0.00
OUTSTANDING CHECKS	13,583.31							\$13,583.31
ADJUSTED BANK BALANCE	\$102,777.21	\$1,376.33	\$500.00		\$1,517.66		\$1,000.00	\$107,171.20
BEGINNING CASH - PER BOOKS	120,353.03	114.95			1,517.66			\$121,985.64
RECEIPTS*	40,921.78	34,306.38						\$75,228.16
TRANSFERS BETWEEN ACCOUNTS	31,500.00	-33,000.00	500.00				1,000.00	\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL								\$0.00
CHECKS/OTHER DISBURSEMENTS*	89,997.60	45.00						\$90,042.60
ENDING CASH - PER BOOKS	\$102,777.21	\$1,376.33	\$500.00		\$1,517.66		\$1,000.00	\$107,171.20

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98

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PAYMENTS TO INSIDERS AND PROFESSIONALS

MONTHLY OPERATING REPORT SUMMARY FOR MONTH JULY 2009

Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	May-09 Amended	Jun-09 Amended	Jul-09 Amended	MONTH	MONTH	MONTH
1. GS Lazzara Jr.	27,642.39	21,448.45				
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$27,642.39	\$21,448.45	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	May-09	Jun-09	MONTH	MONTH	MONTH	MONTH
1. John H Bennett Jr.	9,000.00					
2. BCC Business Services		3,730.53				
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$9,000.00	\$3,730.53	\$0.00	\$0.00	\$0.00	\$0.00

MOR-9

Revised 07/01/98

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